

PRIVATE PLACEMENT MEMORANDUM

\$2,965,000*

MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Industrial Development Revenue Bonds

(North Key Largo Utility Corp. System) Series 2005

INTRODUCTION

This Private Placement Memorandum, including the cover page and the appendices hereto, is provided to set forth certain information concerning the issuance by Monroe County Industrial Development Authority (the "Issuer") of its Industrial Development Revenue Bonds, (North Key Largo Utility Corp. System) Series 2005 (the "Bonds") issued in exchange for a like amount of the Issuer's outstanding Industrial Development Revenue Bonds (North Key Largo Utility Corp. System), Series 1995, (the "1995 Bonds"), pursuant to an Offer to Exchange, dated April __, 2005. The purpose for the Offer to Exchange is to achieve a debt service savings and to consent to the new basic documents, including the Master Trust Indenture, Bond Indenture, Loan Agreement and Mortgage and Security Agreement, all as more particularly described herein.

North Key Largo Utility Corp., a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Company"), is a member-owned cooperative in the business of acquiring, owning, operating and managing a wastewater collection, treatment and disposal system (the "System") to its customers who are the members of the Company.

The prospective investor should be aware of certain risk factors any one of which, if it materialized to a sufficient degree, could delay or prevent payment of principal and/or interest on the Bonds. See "BONDHOLDERS' RISKS FACTORS AND INVESTMENT CONSIDERATIONS" for a summary of certain of these risks. This Private Placement Memorandum, including all appendices, should be read in its entirety.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. ANY PURCHASE OF THE BONDS SHOULD BE FOR INVESTMENT AND NOT WITH THE INTENT TO EFFECT A DISTRIBUTION. THE SALE OR TRANSFER BONDS IN DENOMINATIONS OF LESS THAN \$100,000 IS RESTRICTED TO ACCREDITED INVESTORS.

The Company will use the proceeds of the Bonds solely for the exchange of a like principal amount of 1995 Bonds. Costs related to the issuance of the Bonds will be paid by the Company from legally available funds not derived from the proceeds of this or any other tax-exempt borrowing. The 1995 Bonds were issued on March 9, 1995 and the proceeds thereof were loaned by the Issuer to the Company pursuant to a loan agreement in order to finance (1) the acquisition of the 450,000 gpd central wastewater collection, transmission, treatment and disposal system then owned by Ocean Reef Club, Inc., located in Key Largo, Florida;; (2) the costs of improvements thereto; (3) interest on the 1995 Bonds during construction of the improvements and (4) costs related to the issuance of the 1995 Bonds. The facilities acquired with the proceeds of the 1995 Bonds, the improvements thereto and additional improvements since 1995 are owned and operated by the Company and are herein collectively called the "System".

The Issuer is a public body corporate and politic of the State of Florida (the "State"). The Issuer is issuing the Bonds pursuant to the Constitution and laws of the State, particularly Chapter 159, Parts II and III, Florida Statutes (the "Act").

Concurrently with the issuance of the Bonds, the Issuer and the Company will enter into a Loan Agreement dated as of April 1, 2005 (the "Loan Agreement"), pursuant to which the Issuer will loan the proceeds of the Bonds to the Company. The Company will agree to make loan payments directly to the Bond Trustee at the times and in the amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds. The obligations under the Loan Agreement are secured by a Master Note issued under the Master Trust Indenture dated as of April 1, 2005 (the "Master Indenture") between the Company and Wachovia Bank, National Association, as Master Trustee (the "Master Trustee") and Supplemental Indenture dated as of April 1, 2005 (the "Supplemental Indenture") between the Company and the Master Trustee. Obligations of the Company under the Master Indenture are secured by a pledge of and lien on Revenues, which include a Mortgage and Security Agreement (the "Mortgage") granting the Master Trustee a lien on the Mortgaged Land and Property, as defined in the Mortgage.

The Company will issue its Master Note, Series 2005 (the "Series 2005 Note") pursuant to the Master Indenture in the aggregate principal amount equal to the aggregate principal amount of the Bonds in order to collateralize the Company's obligations under the Loan Agreement with respect to the Bonds.

THE BONDS AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE LOAN AGREEMENT AND THE INDENTURE AND THE TRANSACTIONS CONTEMPLATED THEREBY SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, MONROE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION. THE BONDS AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE LOAN AGREEMENT AND THE BOND INDENTURE AND THE TRANSACTIONS CONTEMPLATED THEREBY SHALL NOT BE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, MONROE COUNTY, FLORIDA, OR AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE AUTHORITY, MONROE COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF.

ANYTHING IN THE BOND INDENTURE OR IN THE BONDS TO THE CONTRARY NOTWITHSTANDING, (A) THE ISSUER AND/OR MONROE COUNTY, FLORIDA, AS APPLICABLE, SHALL NEVER BE REQUIRED TO (1) LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR TO MAKE ANY OTHER PAYMENTS PROVIDED FOR UNDER THE LOAN AGREEMENT OR THE BOND INDENTURE, (2) PAY THE SAME FROM ANY FUNDS OF THE ISSUER OTHER THAN THE REVENUES, OR (3) REQUIRE OR ENFORCE ANY PAYMENT OR PERFORMANCE BY THE COMPANY AS PROVIDED IN THE BOND INDENTURE, THE LOAN AGREEMENT OR THE MORTGAGE UNLESS THE ISSUER'S EXPENSES IN RESPECT THEREOF SHALL BE AVAILABLE FROM ANY MONEYS DERIVED UNDER THE LOAN AGREEMENT OR THE MORTGAGE OR SHALL BE ADVANCED TO THE ISSUER FOR SUCH PURPOSE AND THE ISSUER SHALL RECEIVE INDEMNITY TO ITS SATISFACTION; AND (B) THE BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY OR SITUATED WITHIN THE TERRITORIAL LIMITS OF THE ISSUER OR MONROE COUNTY, FLORIDA, EXCEPT TO THE EXTENT (IF ANY) OF THE ISSUER'S RIGHTS IN THE SYSTEM, THE LOAN AGREEMENT, THE MORTGAGE AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED UNDER THE MASTER INDENTURE AND THE BOND INDENTURE. THE ISSUER HAS NO AD VALOREM TAXING POWER.

Brief descriptions of the Bonds, the Master Indenture, the Bond Indenture, the Loan Agreement, the Mortgage, the System, the Company, the Issuer, and certain provisions of the Act are set forth herein, together with other information set forth in the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Master Indenture, the Bond Indenture, the Loan Agreement, the Mortgage, other relevant instruments, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or statutory provision. The forms of the Master Indenture, Bond Indenture, Loan Agreement and Mortgage are attached hereto as Appendix A. Any other document not reproduced herein may be obtained from the Company at: North Key Largo Utility Corp., 35 Ocean Reef Drive, Suite 220, Key Largo, Florida 33037. References herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Bond Indenture and the information with respect thereto included in the aforesaid documents.

Certain capitalized terms used herein have the same meanings assigned to such terms in the Master Indenture, Bond Indenture, Loan Agreement and Mortgage.

THE ISSUER/COUNTY

The Issuer is a public body corporate and politic of the State of Florida. The Issuer's membership consists of five (5) persons appointed by the County Commission to four-year terms. Currently, the members of the Board of County Commissioners of the County serve as the members of the Authority.

Monroe County, Florida, was constitutionally formed in 1823. It is comprised primarily of the Florida Keys, which are a string of coral islands extending in a southwesterly arc from Biscayne Bay to the Dry Tortugas. The Keys separate the Atlantic Ocean on the south and the east from the Gulf of Mexico on the north and west, and extend approximately 100 miles south from the United States mainland. The County seat, Key West, is located on the southernmost of the Florida Keys, and lies 98 miles north of Cuba, approximately 160 miles southwest of Miami and 66 nautical miles north of the Tropic of Cancer.

The County has a mild, sub-tropical climate. The average annual temperature is 77.7 degrees, with an average temperature during the winter of 69.9 degrees and a summer average of 83.9 degrees. The highest temperature recorded was 95 degrees in 1957, and the lowest temperature recorded was 41 degrees in 1981. Precipitation (39-40 inches per year) is characterized by dry and wet seasons in June through October and December through March, respectively.

The issuance of the Bonds was approved by the adoption of a resolution of the Issuer on April 21, 2005.

THE BONDS WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES PROVIDED FOR UNDER THE BOND INDENTURE. THE BONDS AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE LOAN AGREEMENT AND BOND INDENTURE AND THE TRANSACTIONS CONTEMPLATED THEREBY SHALL NOT CONSTITUTE ANY INDEBTEDNESS OF THE ISSUER, MONROE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION. (SEE "SECURITY FOR THE BONDS" HEREIN.)